



TO: WTO/TBT National Notification and Enquiry Center of the People's Republic of China E-mail: tbt@aqsiq.gov.cn

RE: Notification: G/TBT/N/CHN/1224 through G/TBT/N/CHN/1234 issued 15 November 2017

From: Bob Gedert, President, National Recycling Coalition
Marjorie Griek, Executive Director, National Recycling Coalition

E-Mail: BobGedert@nrcrecycles.org marjie@nrcrecycles.org

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Subject: Response from the National Recycling Coalition (NRC) to Trade Restrictions of Secondary Materials prepared for Recycling



ISSUE

On July 18, 2017, China notified the World Trade Organization (WTO) of its intent to ban the import of certain scrap materials by year end. Among the items included on the list are most scrap plastics ("including polymers of ethylene, styrene, vinyl chloride and PET..."), mixed paper and slags and drosses. Following on its notification to the World Trade Organization (WTO), the Government of China officially announced on July 21, 2017, it has "banned the importation of 24 categories of solid waste such as waste plastics, unsorted waste paper, waste raw textile materials, and vanadium slag that pose very high risk of environmental pollution."

On September 13, 2017: draft revised "GB 16487" Environmental Protection Control Standards for Imported Solid Wastes as Raw Materials, with further restrictions on allowable prohibitives.

On November 15, in a series of eleven filings with the WTO, China's Ministry of Environmental Protection proposed adopting new limitations of allowable prohibitives in materials being shipped into China. The limitations are protested by the National Recycling Coalition through this communication.



WHO IS NRC?

The National Recycling Coalition is a non-profit organization that is focused on the promotion and enhancement of recycling in the United States. We are 23-affiliated recycling organizations strong, and have a network of more than 6,000 members that extends across waste reduction, reuse, recycling, and composting. The organization works to maintain a prosperous and productive recycling system that is committed to the conservation of natural resources, as well as accelerate sustainable approaches to the management of discarded materials. Our website: <https://nrcrecycles.org/>

DEFINITIONS

The China's State Policy Objective (July 18, 2017) quotes "For strict management of *solid waste* importation, completely prohibit the importation of *solid waste* with major environmental hazards and intense public reaction by the end of 2017; and by the end of 2019, gradually halt the importation of *solid waste* that can be replaced with domestic resources."

The NRC notes that the Trade Restrictions referred to by China applies to all secondary materials utilized as raw materials to produce new products or packaging. The material referenced is not "*solid waste*" in traditional terms, but rather "*recyclables*" as commonly referenced in most nations. Solid waste, by traditional definition, refers to refuse or trash that is disposed of in landfills or incinerators. This terminology confusion could generously be credited to translation concerns from Chinese to English, however the terminology does matter in the disposition of the material and the environmental platform of the issue.

The NRC definition of "*Recycling*" is:

"Recycling is a series of activities by which material that has reached the end of its current use is processed into material utilized in the production of new products."

The material being referenced in these documents is best described through the term "recycling", and we ask the WTO to embrace this term in dealing with this issue.

QUALITY STANDARDIZATION

Given the discussion above, recyclables delivered to China should be clean and within generally acceptable and allowable prohibitive levels. Through global trade, the allowable limits are set through best practices, and the assistance of standardization guides. The most widely utilized standardization guide for bale quality is the ISRI standard commodities and scrap market specifications, located at:

<http://www.isri.org/recycling-industry/commodities-specifications#.WcFtXcjfrIU>

These standards are embraced and utilized by recycling markets within North America and through ISRI member companies in at least 34 countries globally. We ask the WTO for consideration of utilizing the standards of bale quality utilizing these global ISRI adopted standards as a basis for resolving quality issues with China's GB 16487 claim on allowable prohibitives.

RESPONSE TO TRADE IMPORTATION RESTRICTIONS

As NRC has stated in a previous communication to WTO, our organization does not object to China's motivation to protect its environment within its borders. NRC is working with its members and other organizations to support a reduction in prohibitives in bales through recommendations of best practices, increased use of sorting labor, upgrades to equipment and sorting lines, and focused outreach and education to residents, collectors and processors.



However, the time line for any reasonable effectiveness and compliance with these measures requires a longer phase-in time period than that being offered by China because of adjustments required in operations within international business operational procedures. The March 1, 2018 timeline is unattainable for US recycling industries to comply with these import restrictions.

While we appreciate China's proposed relaxation of their request for allowable prohibitive materials from 0.3% to 0.5% and up to 1% for non-ferrous metals, that amount still does not meet current generally accepted international standards as defined by ISRI's international membership. As China's stated restrictions do not match the industry standards, major modifications are required by US businesses to meet these new standards. The WTO is in a unique position to work with the international recycling sector to standardize accepted rates for prohibitive and out-throw materials in recyclables shipped across the globe. The NRC request that WTO engage between the parties involved as arbitrator.

NRC believes building, expanding and improving infrastructure in the recycling sectors in both the US and China will greatly benefit the environment and the economy in both countries. In the US, fundamental core changes are needed to ensure that this industry will be less subject to the vagaries of other nations and commodity prices. Using a focused systems approach and working together as an international industry, we could work to stabilize the market. However, this is a long-term solution and one that will simply not meet a March 1, 2018 deadline for reducing prohibitives in recyclables.

Therefore, the NRC asks that both the standards set by China for acceptable levels of prohibitives be increased to ISRI international standards, and that the international standards be phased in over a more reasonable time frame to allow for the necessary upgrades and changes needed to meet those standards.

Respectfully,

Bob Gedert

Bob Gedert, President

Marjorie Griek

Marjorie Griek, Executive Director

